Government of
Saskatchewan

Annual Report
1980

Saskatchewan
Local Government
Board

104-01446/

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Saskatchewan

Saskatchewan
Local Government
Board

1920 Broad Street
Regina, Canada
S4P 3V6

January 30, 1981.

The Honourable Allan Blakeney,
President of the Executive Council,
Legislative Building,
Regina, Saskatchewan.

Sir:

Pursuant to The Local Government Board Act, I have the honour to transmit to you on behalf of the Board the Report of The Local Government Board for the year ending December 31, 1980.

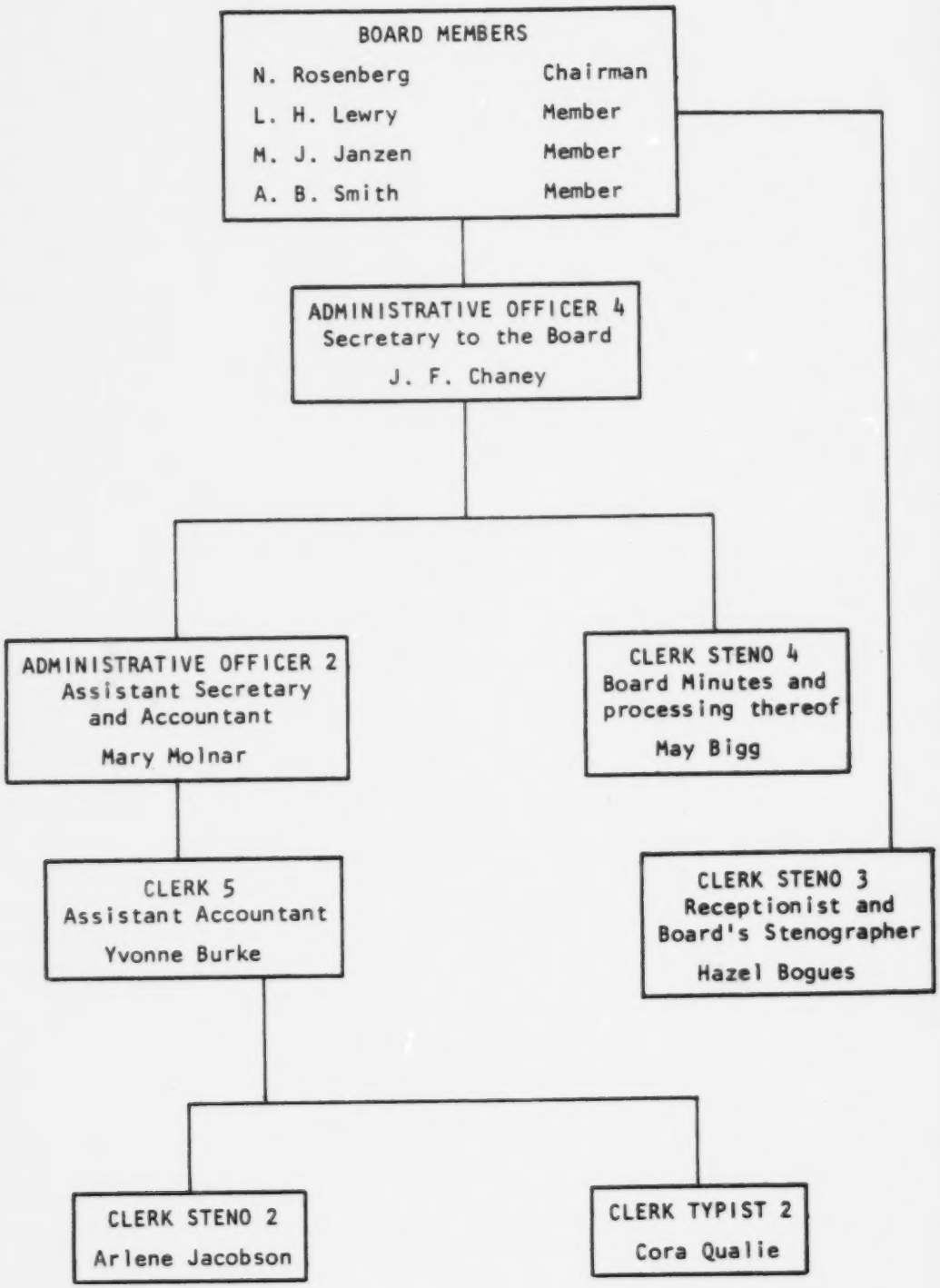
Respectfully yours,

N. Rosenberg.

N. Rosenberg,
Chairman.

CELEBRATE SASKATCHEWAN 1905-1980

THE LOCAL GOVERNMENT BOARD



December 31, 1980

ANNUAL REPORT -- 1980

LEGAL BASIS

Established January 1, 1914, The Local Government Board exists by virtue of The Local Government Board Act which defines its jurisdiction and spells out its powers and procedures. In addition, some 36 other statutes (which are listed in Schedule A) assign to the Board a wide variety of responsibilities.

FUNCTIONS AND ACTIVITIES OF THE BOARD

As its title implies, The Local Government Board has something to do with local government authorities in Saskatchewan. These authorities include councils of cities, towns, villages and rural municipalities, boards of education of school divisions, and boards of union hospital districts, rural telephone companies and conservation and development areas. Nowhere in the statutes is there a statement of the Board's objectives in the local government field. However, over the sixty-six years since its establishment the Board has seen its mandate as being chiefly to ensure financial stability and preserve good credit ratings of local authorities. The provincial legislature in various statutes has designated the Board as the ultimate provincial authority to approve certain financial transactions of local authorities. The Board, therefore, performs a watchdog function and acts as a credit manager to ensure insofar as is reasonably possible that local authorities do not undertake projects beyond their means which could result in an inordinately high tax burden, or perhaps bankruptcy.

Among the Board's functions are the following:

(a) Approval of long-term loans. Legislation governing local authorities prohibits the creation of a debt not payable within the current year except with the permission of The Local Government Board. Long-term debts are normally secured by debentures. All debentures require the signature of the chairman and the seal of the Board as evidence that the issue has been authorized. Before signing and sealing the debentures the Board must be satisfied that the prescribed procedures relating to the issue of debentures have been scrupulously observed. Not all such debts are secured by debentures. Where a proposed debt is to be repaid over a shorter period of one to four years, the Board may permit a municipality to secure the debt by an ordinary promissory note or in other words to "defer" the debt beyond the current year. Such transactions are described as "deferrals".

(b) Approval to construct local improvement works under The Local Improvements Act. The Board's approval to construct a work and subsequently to specially assess the cost of such work against abutting or benefitting properties is required even when no long-term borrowing is contemplated by the municipality. In considering such applications for approval, the Board must be satisfied that the requirements of the Act as to notices, petitions, etc., have been met, that the necessary approvals of other agencies (such as the Department of the Environment with respect to water and sewer systems) have been received, and that the municipality has made adequate financial arrangements to pay for the total cost of the proposed work. In some cases the Board holds public hearings.

(c) Approval of local budgets and mill rates. Where in the opinion of the minister the financial position of a municipality warrants such action, the Board may, upon the request of the minister, require the municipality to submit to the Board for approval its annual budget and proposed mill rate. This situation arises from time to time in municipalities whose revenue fund liabilities at the end of the year are found to exceed its revenue fund assets. The approval of the budgets and mill rates in such cases generally involves one or more meetings with the local authority.

(d) Approval of capital trust fund transactions. The creation of a capital trust fund and subsequent additions to and withdrawals from the fund, are carried out by means of bylaws and resolutions requiring the approval of the Board. The legislation encourages municipalities to set aside surplus funds in a capital trust fund for the acquisition or replacement of capital assets, such as buildings and machinery. Municipalities receive from the Board advice as to the amount they should set aside in the fund annually and suggestions as to repayment of withdrawals from the fund.

(e) Approval of sinking fund transactions. The Urban Municipality Act stipulates that no part of the moneys at the credit of the sinking fund account of a municipality shall be invested without the prior approval of the Board to such investment. Only the cities of Regina and Saskatoon operate sinking funds for the retirement of certain of their debentures.

(f) Approval of certain agreements with senior governments. Housing and Special-care Home agreements and Land Assembly agreements require the Board's approval of the relevant bylaws with respect to such agreements. Under the

Agricultural Service Centres Agreement between the federal and provincial governments, the province does not enter into a subsidiary agreement with respect to any of the designated centres unless the centre concerned has made suitable arrangements with the Board for financing its share of the project cost. In considering applications for approval of agreements wherein the local authority is committed to future expenditures, the Board must examine the local authority's capability of discharging its obligations under the agreement.

(g) Performing the functions of a Public Utilities Board. Bylaws establishing water and sewer rates in towns and villages require the Board's approval to be valid. The Board in such cases must generally satisfy itself that the rates are reasonable and that they will yield sufficient revenues to pay the annual operating costs and debt charges of the utility. The Board is also involved in the approval of franchises for the supply of electricity to the Town of Creighton and a bus transportation franchise for the City of Prince Albert. In all franchise cases a public hearing is mandatory.

(h) Assisting local authorities to market their debentures. While the Board plays no part in the actual sales transactions, it does help in the marketing process by:
(1) offering advice to municipalities on marketing;
(2) determining and approving the interest rates which the debentures shall bear;
(3) approving the form and content of debentures; and
(4) providing investment dealers with information and list of approvals.

(i) Acting as the Board of Revenue Commissioners. The current four members of The Local Government Board have been appointed as the Board of Revenue Commissioners. The approval of the Board of Revenue Commissioners is required for the write-off of debts due the province. The Board of Revenue Commissioners also deals with appeals against the Finance Department's tax liability assessments under The Education and Hospitalization Tax Act. Although the Board of Revenue Commissioners is required to make an administrative rather than a judicial review, both the appellant and the Department are represented by legal counsel in such reviews, the Board hears evidence under oath, considers arguments advanced by both sides, and provides a written decision.

(j) Responding to requests from local officials for advice. Because the Board is comprised of members with considerable training and experience in local government finance and administration, many local authorities look to the Board for information and advice on financing of capital works and the procedures which should be followed in submitting applications to the Board. A good part of the Board Members' time, and that of its Secretary, is spent in meeting with delegations, discussions over the telephone, and responding to written enquiries. While this may not be one of the functions which the statutes require the Board to perform, the Board feels that it is time well spent if it helps municipalities and other local authorities to manage their finances effectively and to acquire needed capital works through prudent use of their borrowing powers.

As already indicated, The Local Government Board Act and other statutes give to the Board considerable power over municipal finances and related matters. To the local authorities, the Board's checks, controls and limitations upon the actions of their elected officials and its insistence upon full compliance with the statutes, may at times be irksome and an inconvenience. Nevertheless, it is believed that most people will admit the Board serves a useful purpose, and that as a result of the Board's activities local authorities are in a stronger financial position and are able to enjoy a better market for their debentures than otherwise might be the case.

BOARD DECISIONS

The process by which the Board carries out its statutory functions may be said to consist firstly of receiving an application from a municipal council or other local authority to do something which the statutes allow it to do only with the Board's permission, and secondly making a decision on the application and informing the applicant of the decision.

Section 26 of The Local Government Board Act requires the Board in conducting its inquiry and in arriving at its decision to take into account a large number of factors, namely:

(a) the period over which the indebtedness may be spread, based on the lifetime of the work or undertaking for which the application is made as may be estimated by the Board;

(b) any provincial financial assistance that may be available in support of the work or undertaking;

(c) the economic base on which the loan can be supported and the present and contemplated economic conditions in the community, with due allowance being given for change in the economic base or conditions;

(d) the impact of the work or undertaking on the total financial and budgetary position of the local authority;

(e) the impact of the work or undertaking on the revenue demands and taxation levels of the local authority;

(f) the level of services which the local authority is committed to provide and the estimated impact of the provision of those services on its ability to repay the loan over the period of repayment;

(g) any outstanding long-term financial commitments of the local authority and, in particular but without restricting the generality of the foregoing, any outstanding debentures and existing obligations of the local authority with respect to superannuation plans;

(h) such other matters as, in the opinion of the Board, relate to the local authority's ability to assume the liability of the proposed loan.

Because no two communities even of equal population are ever completely alike in their needs, economic resources, growth trends, management capabilities, and in kinds and levels of existing and anticipated local services, the Board cannot rely upon the application of any standard formula to determine what is a safe financial burden for a community to carry. Each application must be considered as unique, and the Board's decision can be reached only after examining and weighing a large number of relevant factors in the light of wisdom it has gained from past experience and its knowledge of present circumstances.

GUIDELINES FOR FINANCING CAPITAL EXPENDITURES

The Board is aware of the advantages claimed for the "pay-as-you-acquire" policy which involves no borrowing for capital purposes, and it is also familiar with the arguments favoring a "pay-as-you-use" policy, under which all capital expenditures would be financed by long term loans. While each has its advantages and its supporters, the Board does not advocate rigid adherence to either of these extreme positions.

However, to assist local authorities in developing and maintaining good credit ratings and a reputation for prudence and sound financial management, the Board over the years has followed a number of informal guidelines for financing of capital expenditures. These are:

1. Local authorities are encouraged to finance capital projects by building up reserves and by providing as much money as possible out of their current budgets. They are required to provide out of current revenues at least the equivalent of one year's debt charges in respect of the proposed debenture issue. By requiring the community and its leaders to face up to the fiscal realities immediately, this kind of action encourages responsible spending both as to the projects undertaken and the design and cost of the projects.

2. In granting approval of a borrowing bylaw, the Board stipulates that construction contracts shall not be awarded until the required financing has been arranged and the sale of the proposed debentures, at a price approved by the Board, has been assured.

3. Where the proposed work is a local improvement to be financed by special assessments against the abutting or benefitting property, municipalities are required to obtain prepayments of a significant portion of such special assessments. The proportion of the special assessment to be prepaid depends upon a number of factors and may vary from one community to another.

4. Water and sewer utility operations should be self-supporting, and where necessary municipalities are requested to adjust their utility rates so that utility revenues will take care of operating costs as well as annual debt charges.

5. With the exception of school divisions and local improvements to be financed by special assessments, local authorities as a rule are required to submit their borrowing bylaws to a vote of the burgesses.

6. Local authorities are often advised to issue debentures for relatively short terms so that the debt will be paid off in, say 10 or 15 years even though the anticipated lifetime of the proposed work may be 20 to 25 years. The advantages of shorter repayment terms are obvious. Short term debentures are easier to sell, the interest savings are quite substantial, and early liquidation of the debt

enables the local authority to undertake other capital works at an earlier date.

7. To the extent possible, local authorities are encouraged to sell their debentures locally rather than going to a distant market.

8. Municipalities are encouraged to establish and maintain capital trust funds. By anticipating future capital requirements, municipalities can minimize borrowing and save interest charges, which at current rates are not inconsequential.

9. Wherever practicable, the Board suggests financing part of a capital project by short term loans (called "deferrals") of two to four years, instead of issuing debentures.

10. The Board will not permit a borrowing arrangement whereby only the interest and no principal would be payable in the first few years.

COMMUNITY PRIORITIES

The Local Government Board is not directly involved in the setting of local priorities or in making decisions as to which of several needed projects shall be considered first. To establish priorities intelligently, it is necessary at the outset to ascertain what the community's objectives are, and to identify its needs and desires. It is necessary also to project capital expenditures over a period of years, and to indicate for each year the financial resources which will likely be available to the community. Since the resources rarely if ever are sufficient to pay all the things a community would like to have, the purchase or acquisition of some facilities and the satisfaction of some needs may have to be abandoned or postponed. Somebody must make decisions for the community upon the relative merits and priorities of the various projects which have been identified as community needs. It is the Board's view that the making of such decisions is clearly the responsibility of local community leaders, with or without public consultation or referendum.

Many municipalities now prepare and annually update a five-year capital works program showing their anticipated capital expenditures and probable financial resources. This is a requirement of the Community Capital Fund Program. Occasionally, however, the Board is called upon to make a decision on a loan application without sufficient evidence that the community's total needs have been identified, weighed and considered. If in

such a case the Board is unable to grant immediate approval, local officials on occasion display disappointment and frustration at what may appear as interference from the Board in the setting of local priorities. Such delays and frustrations can generally be avoided by the submission in the first instance of a well thought out and documented capital works program.

Decisions on local priorities are often influenced by federal and provincial government policies and programs. The availability of grants for specific capital works such as street improvements, water and sewer systems and recreational facilities, induces municipalities to give top priority to one or the other of such projects in order to take advantage of federal or provincial grants which if not taken when available may be lost forever. The Community Capital Fund program is an exception since it is assured for a five-year period and allows the municipalities to choose the projects for which the grants are to be used.

ADVISORY FUNCTION

The Board's familiarity with the many aspects of municipal financing has placed it in a good position to respond to requests from local authorities for financial advice. The Board's influence upon municipalities, therefore, extends somewhat beyond its powers to authorize or prohibit municipal borrowing. Because of its position, the Board is able to advise municipalities on such matters as the establishment of reserves and capital trust funds, and the terms of repayment of a proposed debt, all with a view to keeping the annual debt charges at an acceptable level and acquiring for their communities the needed capital facilities at the lowest possible debt cost.

To be able to assist and advise local authorities, the Board needs to be informed continuously of the programs and activities of various provincial and federal agencies. The Board is conscious of the increasing developmental roles that the Departments of Urban and Rural Affairs are assuming with respect to municipalities. It is therefore important for the Board to maintain a close liaison with the Department so as to facilitate as much as possible the implementation of the various provincial and federal programs in which the Departments are involved.

BOARD MEETINGS AND WORKLOAD

During the year 1980 the Board held a total of 250 meetings. Business of the Board at these meetings involved consideration of the various applications and the issuing of authorizations as detailed in the various schedules contained in this report. Also dealt with were many other enquiries of a less

formal nature. A large part of the Board's time is spent meeting with delegations as well as travelling to various communities to meet with councils and boards in their own offices. For the further convenience of local authorities, the Board attends the annual convention of the Saskatchewan Association of Rural Municipalities and the Saskatchewan Urban Municipalities Association and makes itself available to meet delegations at the convention site.

The volume of loan applications and other business to be transacted by the Board varies from year to year, depending upon economic outlook and activity, government grant programs, availability of funds, interest rates and other factors. The Board's effectiveness can not be measured in terms of work units or other measures of productivity. What matters is not how many decisions the Board makes but how good the decisions are.

The effectiveness of the Board depends very largely upon the availability of up-to-date relevant data on Saskatchewan local governments. Unfortunately much of the desired information, if available at all, is out of date before it gets into Board hands (e.g. financial statements). Other data are obtainable only by specific requests directed to the municipalities concerned. Also there is some information which has never been compiled and which the Board feels it is important to have (e.g. composite picture of financial position of an area, showing the total debt of all local government units -- school, hospital, and other local authorities -- contained within the area). The acquisition, classification and recording of data which the Board requires for each local government unit is a difficult and time consuming activity.

ADVISORY COMMITTEE

In accordance with Section 6 of The Local Government Board Act, The Saskatchewan Association of Rural Municipalities, the Saskatchewan Urban Municipalities Association, the Saskatchewan School Trustees Association and the Saskatchewan Health-Care Association have appointed one member each to a committee to be associated with the Board for advisory purposes. The duties of the committee are to confer with the Board from time to time concerning matters of general interest in relation to carrying out of the Act.

The committee met once during the year. A copy of the report of the meeting held January 14, 1980 is attached hereto as Schedule "U".

REVENUES OF THE BOARD

The Board charges a fee for the authorization of debentures

in accordance with the schedule set out in Saskatchewan Regulation 217/80. This Regulation also provides for a $10.00 fee for each application to construct works as a local improvement. In addition, a fee of $10.00 is chargeable for every application for permission to raise money by way of debentures or other security, pursuant to Section 56 of The Local Government Board Act.

During the year 1980 the Board received a total of $95,332.96 in revenues. Comparative figures for the years 1979 and 1978 are $64,280.28 and $69,476.64 respectively. The significant increase of revenues in 1980 over the previous years is in part attributable to authorization fee increases which took effect on September 2, 1980 pursuant to Regulation 217/80.

All receipts were deposited to the credit of the consolidated fund.

BOARD MEMBERSHIP, STAFF AND OFFICE

Mr. Albert Bruce Smith, former City Manager of the City of Regina was appointed to the Board effective August 1, 1980. Board Member Armand Thibodeau resigned from the Board on August 15, 1980.

There were no staff changes during the year under review.

Board offices are located in ample and functional quarters on the 12th floor of the Chateau Tower at 1920 Broad Street.

The co-operation and support received throughout the year from the Board's seven staff members is gratefully acknowledged.

SCHEDULE A

STATUTES FORMING LEGAL BASIS FOR LOCAL GOVERNMENT BOARD ACTIVITIES

The Local Government Board Act
The Local Government Board (Special Powers) Act
The Local Government Board (Temporary Special Powers) Act
The Agricultural Societies Act
The Cemeteries Act
Charter of The Municipal Corporation of Uranium City and District
The Community Health Unit Act
The Conservation and Development Act
The Education Act
The Federal-Provincial Agreements Act
The Gas and Electrical Rates (Public Corporations) Act
The Health Services Act
The Hospital Revenue Act
The Housing and Special-care Homes Act
The Industrial Towns Act
The Lloydminster Hospital Act
The Local Improvements Act
The Major Urban Centres Intergrated Hospitals Act
The Municipal Corporation of Uranium City and District Act
The Municipal Debentures Repayment Act
The Municipal Improvements Assistance (Saskatchewan) Act
The Municipal Public Works Act
The Planning and Development Act
The Power Corporation Act
The Public Health Act
The Public Libraries Act
The Public Utilities Companies Act
The Regional Parks Act
The Rural Municipality Act
The Rural Telephone Act
The Saskatchewan Housing Corporation Act
The Trustee Act
The Union Hospital Act
The Urban Municipal Elections Act
The Urban Municipality Act
The Wascana Centre Act
The Water Rights Act
The Water Users Act

SCHEDULE B

DEBENTURES ISSUED 1971 - 1980

BY SASKATCHEWAN LOCAL AUTHORITIES

By Class of Issuing Authority

in Thousands of Dollars

	*CITIES		TOWNS		VILLAGES		SCHOOL DISTRICTS		SCHOOL UNITS		HOSPITALS		OTHERS		TOTALS	
ear	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
971	26	9,316	26	680	7	119	13	1,594	14	974	2	365	8	83	96	13,131
972	25	6,280	22	529	6	71	7	1,293	14	816	2	415	2	31	78	9,435
973	23	4,373	25	596	4	56	15	1,316	14	746	1	600	5	71	87	7,758
974	22	2,821	23	470	1	9	-	-	8	289	2	255	2	55	58	3,899
975	33	13,911	20	611	1	11	10	5,749	16	1,989	2	316	1	14	83	22,601
976	44	20,368	17	776	2	38	11	5,213	37	5,587	4	1,003	1	8	116	32,993
977	24	15,156	30	4,711	3	51	19	7,975	23	3,391	2	360	1	9	102	31,653
978	24	20,677	33	1,955	3	77	6	2,738	37	7,464	6	1,066	2	40	111	34,017
979	18	12,906	47	3,700	4	134	35	8,788**	4	532	4	295	2	21	114	26,376
980	16	15,228	47	5,488	10	448	25	13,515**	-	-	3	855	3	234	104	35,768

o. - Where it appears above means number of issues

- Does not include Lloydminster

* - School Divisions

SCHEDULE C

DEBENTURES ISSUED BY SASKATCHEWAN CITIES

(INCLUDING ISSUES FOR COLLEGIATES, PUBLIC AND SEPARATE SCHOOLS)

1971 - 1980

in Thousands of Dollars

City	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
Estevan	180	-	-	-	-	-	183	697	503	412
Lloydminster* ...	225	198	221	238	1,582	1,179	274	-	-	-
Melfort	-	-	-	-	-	-	-	-	-	461
Melville	26	61	66	40	16	76	102	234	254	16
Moose Jaw	334	190	250	1,207	2,159	1,281	1,400	1,312	385	390
North Battleford	48	155	255	-	84	175	193	709	497	299
Prince Albert ...	186	1,718	603	283	334	1,509	145	2,579	1,277	8,248
Regina	2,114	3,561	2,924	472	6,555	15,484	11,106	13,272	8,480	-
Saskatoon	7,436	1,714	1,434	602	4,613	1,105	1,565	973	948	4,470
Swift Current ...	27	63	50	49	100	195	119	322	562	500
Weyburn	-	-	-	50	50	325	70	75	-	-
Yorkton	459	110	86	118	-	217	273	504	-	432
TOTALS	11,035	7,770	5,889	3,059	15,493	21,546	15,430	20,677	12,906	15,228

* Debenture issues for Lloydminster are authorized by Complementary Orders in Council of the Provinces of Alberta and Saskatchewan.

SCHEDULE D

DEBENTURE DEBT OF SASKATCHEWAN LOCAL AUTHORITIES

AS AT DECEMBER 31

IN THOUSANDS OF DOLLARS

Year	NET MUNICIPAL DEBT					School Debt (2)	Hospital Debt (3)	Telephone Debt	Grand Total
	City (1)	Town (1)	Village	R.M.	Total				
1970	91,815	34,910	11,429	762	138,916	75,335	11,230	1,170	226,651
1971	90,784	33,198	10,616	535	135,133	73,408	10,620	1,032	220,193
1972	96,783	31,106	9,719	360	137,968	70,118	11,248	896	220,230
1973	90,158	29,027	8,710	260	128,155	67,993	10,825	784	207,757
1974	83,622	26,641	7,672	226	118,161	64,183	9,949	617	192,910
1975	90,189	24,322	6,594	172	121,277	66,345	9,631	480	197,733
1976	91,955	22,355	5,471	138	119,919	82,683	9,637	319	212,558
1977	91,217	20,981	4,109	119	116,426	101,010	9,559	38	227,033
1978	103,310	20,718	3,694	99	127,821	103,540	9,467	2	240,830
1979	102,287	22,061	2,908	131	127,387	102,565	9,678	0	239,630

NOTE: The above table does not include debenture debt for Conservation and Development Areas.

These figures were compiled from reports obtained from the Department of Municipal Affairs and from Local Government Board records.

(1) - Excludes net secondary school debt.
(2) - Includes net secondary school debt. Borrowings for secondary schools are carried out by urban municipality in which they are located.
(3) - Excludes municipal hospital debt for Regina and Saskatoon. In these cases the net hospital debt is included in the City Municipal debt figure. (Hospital debt shown as at March 31, 1980)

SCHEDULE E

DEBENTURES SIGNED AND SEALED BY THE LOCAL GOVERNMENT BOARD IN THE YEAR 1980

Local Authority	No. of Issues	Total Face Value	Average Money Cost %
CITIES			
Estevan	1	412,000	13.688
Melfort	2	461,039	9.4902 - 11.125
Melville	1	16,350	8.000
Moose Jaw	1	390,000	10.500
North Battleford	1	299,000	11.504
Prince Albert	3	8,247,833	11.161 - 13.625
Saskatoon	3	4,470,000	11 - 13.5
Swift Current	1	500,000	10.663
Yorkton	3	431,509	9.50 - 9.5711
Total	16	$15,227,731	
TOWNS			
Assiniboia	1	128,000	13.875
Battleford	2	360,000	11.125 - 11.875
Biggar	3	588,021	9.6149 - 11.562
Birch Hills	3	40,434	9.7256 - 12.625
Blaine Lake	1	200,000	11.931
Canora	1	230,000	10.858
Carlyle	1	75,000	11.125
Carnduff	1	80,000	12.007
Cupar	1	50,000	12.088
Davidson	2	162,000	12.500 - 13.625
Foam Lake	1	37,000	12.625
Hudson Bay	1	270,000	10.250
Humboldt	2	489,753	13.875
Indian Head	1	135,000	13.007
Ituna	1	99,324	12.00
Kamsack	1	105,000	12.625
Lashburn	1	80,000	11.875
Leader	2	224,551	12.625 - 13.129
Maidstone	2	76,082	10.250 - 12.625

SCHEDULE E (Cont'd)

Local Authority	No. of Issues	Total Face Value	Average Money Cost %
Maple Creek	2	130,000	10.50
Meadow Lake	1	525,400	11.42
Midale	1	115,000	11.250
Nipawin	2	297,846	11.4375 - 11.6875
Outlook	2	122,816	11.875 - 12.034
Preeceville	1	3,617	9.50
Rosetown	1	265,109	12.667
Shellbrook	1	94,666	9.8566
Sturgis	2	111,000	10.50
Tisdale	1	8,326	10.00
Unity	2	116,956	11.875 - 12.50
Watson	1	51,275	9.8566
Whitewood	1	88,000	13.661
Wynyard	1	128,000	12.724
Total	47	$5,488,176	
VILLAGES			
Bethune	1	35,000	11.875
Clavet	1	55,000	13.307
Kenaston	2	83,959	9.8566 - 12.750
Marcelin	1	30,000	11.188
Medstead	1	8,500	9.750
Paynton	1	29,615	12.000
Pierceland	1	87,743	10.250
Seamans	1	60,000	12.680
Viscount	1	58,000	13.381
Total	10	$447,817	
RURAL MUNICIPALITIES			
Medstead No. 497	1	38,000	9.750
Wilton No. 472	1	180,000	11.404
Total	2	$218,000	

SCHEDULE E (Cont'd)

Local Authority	No. of Issues	Total Face Value	Average Money Cost %
SCHOOL DIVISIONS			
Battle River No. 60	2	372,000	11.626 - 14.169
Buffalo Plains No. 21	1	105,000	11.969
Canora No. 37	1	48,000	12.680
Creighton No. 111	1	464,000	12.680
Humboldt Rural No. 47	1	201,000	13.821
Kinistino No. 55	1	373,000	14.170
Meadow Lake No. 66	1	576,000	13.409
Neudorf No. 96	1	300,000	13.328
Parkside No. 63	1	547,000	13.16
Prince Albert No. 3	1	1,231,000	13.608
Radville No. 67	1	450,000	13.451
Regina No. 4	1	1,783,000	11.996
Rosthern No. 49	2	583,000	12.172 - 12.338
St. Paul's R.C.S. No. 20	4	1,675,000	13.219 - 13.406
Saskatoon No. 13	2	3,212,000	13.875
Saskatoon (West) No. 42	1	568,000	14.079
Weyburn No. 97	1	414,000	12.000
Weyburn Central No. 73	1	216,000	13.219
Wilkie No. 59	1	397,000	12.739
Total	25	$13,515,000	
UNION HOSPITAL DISTRICTS			
Carrot River	1	200,000	13.760
Foam Lake	1	435,000	13.916
Meadow Lake	1	220,000	11.786
Total	3	$855,000	
CONSERVATION & DEVELOPMENT AREAS			
Torch River	1	$16,000	12.500
RURAL TELEPHONE COMPANIES			
Nil			
TOTAL ALL LOCAL AUTHORITIES	104	$35,767,724	

SCHEDULE F

ANALYSIS OF PURPOSES

FOR WHICH DEBENTURES WERE ISSUED

FOR THE YEAR 1980

Engineering Structures:	
Roads, Streets and Pavement	$ 6,605,606
Reservoirs	1,001,190
Water Mains, Sewer Mains, Hydrants and Services	614,328
Sewage Treatment and Lagoons	1,542,646
Sidewalks, Curbs and Gutters	1,771,594
Water Plant Modifications	231,039
Storm Sewers	684,064
Water Treatment Plant	1,040,482
Other Engineering Structures	7,016,000
Buildings:	
Theatres, Arenas and Recreational	710,775
Schools	13,515,000
Hospitals	855,000
Other Buildings	180,000
Total Debentures Issued	$35,767,724

SCHEDULE G

ANALYSIS OF DEBENTURE SALES

IN THE YEAR 1980

Lender	Amount	% of Total
Federal Government Agencies: C.M.H.C.	1,420,980	3.97
Provincial Government: Department of Municipal Affairs	902,995	2.52
Provincial Government Agency: Municipal Financing Corporation	17,897,683	50.04
Other Local Government	1,282,000	3.59
Own Municipality's Reserves, Trust and Pension Funds, etc.	2,600,179	7.27
Chartered Bank	97,000	.27
Investment Dealer or Syndicate	6,456,700	18.05
Credit Union	1,236,434	3.46
Canadian Public: Over the Counter	3,873,753	10.83
Total Debenture Issues	$35,767,724	100.00

SCHEDULE H

CREATION OF DEBTS NOT PAYABLE WITHIN THE CURRENT YEAR

AUTHORIZED BY THE LOCAL GOVERNMENT BOARD

IN THE YEAR 1980

Local Authority	Amount of Authorizations	No. of Authorizations	Term (Years)
CITIES			
Swift Current	$175,000	1	4
TOWNS			
Arcola	70,000	1	3
Asquith	75,000	1	2
Big River	120,000	1	1
Bruno	205,000	2	1,4
Cabri	45,000	1	4
Canora	56,000	1	4
Creighton	375,000	1	4
Davidson	252,000	3	1,4
Duck Lake	74,000	2	2,4
Fort Qu'Appelle	200,000	1	4
Humboldt	180,000	1	4
Indian Head	100,000	1	4
Kamsack	70,000	1	1
Kipling	20,000	1	4
Milestone	120,900	1	1
Naicam	70,000	1	4
Pilot Butte	148,000	1	1
Rocanville	76,170	1	1
Rosthern	50,000	1	4
Tompkins	4,500	1	4
Wakaw	35,000	1	4
Wawota	99,000	2	2,4
Total	$2,445,570	27	

SCHEDULE H (Cont'd)

Local Authority	Amount of Authorizations	No. of Authorizations	Term (Years)
VILLAGES			
Clavet	112,500	1	1
Domremy	16,000	1	4
Frontier	74,000	2	4,1
Lestock	87,000	2	4,1
Marcelin	27,500	1	1
Marshall	150,000	2	1
Mazenod	10,600	1	1
Meyronne	10,000	1	1
Mistusinne	5,000	1	1
Neilburg	498,768	1	1
Odessa	87,500	1	1
Palmer	15,000	1	1
Webb	40,000	1	1
Weldon	26,000	1	2
Windthorst	30,000	1	4
Total	$1,189,868	18	
RURAL MUNICIPALITIES			
Abernethy No. 186	48,000	1	4
Auvergne No. 76	43,000	1	4
Barrier Valley No. 397	45,000	1	1
Battle River No. 438	28,000	1	4
Big Quill No. 308	24,000	1	3
Birch Hills No. 460	50,000	1	4
Cambria No. 6	40,500	1	3
Coteau No. 255	10,000	1	4
Duck Lake No. 463	32,900	1	4
Enfield No. 194	24,000	1	4
Fillmore No. 96	28,000	1	2
Foam Lake No. 276	59,750	1	1
Garden River No. 490	23,400	1	4
Garry No. 245	82,000	1	4
Grandview No. 349	48,000	1	4
Grant No. 372	40,000	1	1
Grass Lake No. 381	57,000	1	4
Grassy Creek No. 78	40,000	1	4
Invermay No. 305	40,000	1	2
Langenburg No. 181	89,000	1	4
Leask No. 464	30,000	1	1

SCHEDULE H (Cont'd)

Local Authority	Amount of Authorizations	No. of Authorizations	Term (Years)
Lumsden No. 189	25,500	1	3
Mayfield No. 406	30,000	1	2
Moose Creek No. 33	100,000	1	5
Moose Range No. 486	200,000	1	2
Piapot No. 110	35,000	1	4
Porcupine No. 395	30,000	1	4
Rocanville No. 151	25,000	1	2
Round Valley No. 410	35,000	1	4
St. Louis No. 431	50,000	1	4
Tullymet No. 101	10,000	1	1
Turtle River No. 469	11,000	1	2
Wilton No. 472	60,000	1	1
Wise Creek No. 77	27,500	2	4
Total	$1,521,550	35	
SCHOOL DIVISIONS			
Battleford No. 58	66,000	1	4
Blaine Lake No. 57	30,000	1	3
Broadview No. 18	55,000	1	4
Creighton No. 111	700,000	1	4
Leader No. 24	27,243	1	3
Moosomin No. 9	99,350	1	1
Neudorf No. 96	180,000	1	4
North Battleford No. 103	111,000	1	4
Radville No. 67	30,830	1	4
Rosthern No. 49	46,000	1	4
Saskatoon (East) No. 41	128,990	2	4
Swift Current (Rural) No. 75	176,000	1	4
Turtleford No. 65	50,000	1	4
Wilkie No. 59	21,000	1	3
Wilkie St. George R.C. No. 85	33,000	2	3,4
Total	$1,754,413	17	
TOTAL ALL LOCAL AUTHORITIES	$7,086,401	98	

SCHEDULE I

ANALYSIS OF PURPOSES

FOR WHICH DEBTS IN SCHEDULE "H" WERE CREATED

IN THE YEAR 1980

Engineering Structures:	
Sewer and Water Mains, Hydrants and Services	$ 827,600
Reservoirs, Treatment Plants and Water Wells	1,066,938
Sewage Lagoons	426,500
Storm Sewers	84,000
Sidewalks, Curbs and Gutters	2,000
Roads, Streets and Parking Lots	710,900
Crushing and Stockpiling Gravel	151,500
Municipal Air Strip	70,000
Buildings:	
Office Buildings	130,000
Schools	1,364,063
Theatres, Arenas & Recreational Buildings	707,000
Fire Halls	114,000
Other Buildings	212,000
Machinery and Equipment for:	
Protective Services	121,850
Transporation Services	838,550
Interim Financing:	
Grants Receivable	30,000
Operating Expenses	5,000
Land Assembly Project	45,000
Purchasing Land	179,500
	$7,086,401

SCHEDULE J

AUTHORIZATIONS TO BORROW BY WAY OF DEBENTURE

GRANTED BY THE LOCAL GOVERNMENT BOARD

IN THE YEAR 1980

CITIES	Amount of Authorizations	No. of Authorizations
Estevan	$ 412,500	1
Melfort	864,299	4
Melville	136,885	3
Moose Jaw	390,000	1
North Battleford	54,929	1
Prince Albert	10,747,833	4
Regina	14,673,000	15
Saskatoon	1,202,558	3
Swift Current	205,006	1
Weyburn	115,000	1
Yorkton	284,070	2
Total	$29,086,080	36
TOWNS		
Assiniboia	$ 128,000	1
Battleford	175,659	2
Birch Hills	20,200	2
Canora	255,752	2
Coronach	200,000	1
Davidson	90,000	1
Esterhazy	212,776	2
Fort Qu'Appelle	200,000	1
Gravelbourg	70,000	1
Herbert	125,000	1
Hudson Bay	270,000	1
Humboldt	189,753	1
Kamsack	105,559	1
Leader	224,793	3
Macklin	137,000	1
Meadow Lake	300,000	1
Midale	115,000	1
Naicam	90,000	1

SCHEDULE J (Cont'd)

TOWNS	Amount of Authorizations	No. of Authorizations
Preeceville	$ 3,617	1
Rosetown	320,763	2
Rosthern	72,721	1
St. Walburg	135,000	1
Tisdale	32,958	1
Wynyard	128,548	2
Total	$ 3,603,099	32

VILLAGES		
Clavet	$ 55,000	1
Kenaston	30,000	1
Neilburg	110,000	1
Odessa	45,000	1
Paynton	29,615	1
Semans	60,000	1
Turtleford	87,400	1
Viscount	58,000	1
Total	$ 475,015	8

RURAL MUNICIPALITIES

NIL

SCHOOL DIVISIONS		
Battle River No. 60	$ 242,000	1
Buffalo Plains No. 2	551,000	1
Creighton No. 111	464,000	1
Humboldt No. 47	201,000	1
Kinistino No. 55	373,000	1
Leader No. 24	303,000	1
Meadow Lake No. 66	576,000	1
Neudorf No. 96	300,000	1
North Battleford No. 103	569,000	2
Parkland No. 63	547,000	1
Potashville No. 80	836,000	1
Prince Albert No. 3	1,231,000	1

SCHEDULE J (Cont'd)

SCHOOL DIVISIONS	Amount of Authorizations	No. of Authorizations
Prince Albert Rural No. 56	$ 196,000	1
Radville No. 67	450,000	1
Regina No. 4	1,783,000	1
Rosthern No. 49	583,000	2
St. Paul's R.C.S. No. 20	1,675,000	4
Saskatoon No. 13	3,212,000	2
Saskatoon (West) No. 42	568,000	1
Swift Current No. 94	425,000	1
Weyburn No. 97	645,000	2
Weyburn Central No. 73	216,000	1
Wilkie No. 59	397,000	1
Total	$16,343,000	30
UNION HOSPITAL DISTRICTS		
Carrot River	200,000	1
Foam Lake	435,000	1
Total	$ 635,000	2
CONSERVATION AND DEVELOPMENT AREAS		
NIL		
TOTAL ALL LOCAL AUTHORITIES	$50,142,194	108

SCHEDULE K

ANALYSIS OF PURPOSES

FOR WHICH AUTHORIZATIONS IN SCHEDULE "J" WERE GRANTED

IN THE YEAR 1980

Engineering Structures:	
Reservoirs	$ 1,911,655
Water Mains, Sewer Mains, Hydrants and Services	1,284,127
Water Supply Well and Pipelines	144,929
Sewage Treatment and Disposal	5,349,000
Water Pumping Stations and Treatment Plants	696,000
Storm Sewers	1,808,344
Sewage Lagoon and Facilities	555,000
Roads, Street Paving, Sidewalks, Curbs and Gutters	8,180,139
Signs, Guardrails and Signal Lights	730,000
Park Systems and Landscaping	810,000
Buildings:	
Threatres, Arenas and Recreational	405,000
Schools	16,343,000
Hospitals	635,000
Other Buildings	11,290,000
Total	$50,142,194

SCHEDULE L

REFUSALS OF APPLICATIONS TO BORROW BY WAY OF DEBENTURE AND SHORT TERM LOAN FOR ALL LOCAL AUTHORITIES IN THE YEAR 1980

Local Authority	No. of Refusals for Debentures	No. of Refusals for Short Term Loans	Amount
NIL			

SCHEDULE M

PROPOSED LOCAL IMPROVEMENT PROJECTS APPROVED BY THE LOCAL GOVERNMENT BOARD IN THE YEAR 1980

Municipality	No. of Projects	Type of Proposed Work and Estimated Cost			
		Total	Water/Sewer Mains	Storm Sewers	Surface Works
CITIES					
Estevan	1	150,000	150,000		
Melfort	7	1,233,656	28,000		1,205,656
Melville	6	128,770	25,000		103,770
Moose Jaw	7	1,197,900	224,500		973,400
North Battleford	8	408,670			408,670
Prince Albert	17	2,760,500	174,200	285,000	2,301,300
Regina	17	3,562,174	791,817		2,770,357
Saskatoon	4	680,810	301,650		379,160
Swift Current	3	492,886			492,886
Weyburn	9	1,299,350	437,725		861,625
Totals	79	$11,914,716	$2,132,892	$285,000	$9,496,824

SCHEDULE M

Type of Proposed Work and Estimated Cost

Municipality	No. of Projects	Total	Water/Sewer Mains	Storm Sewers	Surface Works
TOWNS					
Balcarres	3	64,350			64,350
Battleford	6	178,170	53,500		124,670
Beinfait	2	573,620			573,620
Biggar	5	117,900	67,000		50,900
Canora	1	87,699			87,699
Coronach	2	1,070,000			1,070,000
Delisle	1	40,940			40,940
Eastend	1	93,000			93,000
Esterhazy	3	337,000			337,000
Eston	2	144,400	144,400		
Hudson Bay	1	36,220			36,220
Ituna	2	541,300		71,300	470,000
Kamsack	7	953,613	102,700	213,049	637,864
Kindersley	7	301,352		3,770	297,582
Kipling	2	31,500	31,500		
Maple Creek	1	440,000	440,000		
Meadow Lake	3	631,933	631,933		
Milestone	2	420,680			420,680
Moosomin	6	687,130	15,430		671,700
Mossbank	7	821,200			821,200
Naicam	1	23,595			23,595
Nipawin	1	395,001			395,001
Norquay	1	59,700	59,700		
Outlook	2	246,160			246,160
Oxbow	1	90,000			90,000
Radville	2	255,000			255,000

SCHEDULE M

Type of Proposed Work and Estimated Cost

Municipality	No. of Projects	Total	Water/Sewer Mains	Storm Sewers	Surface Works
Regina Beach	1	36,000	36,000		
Shaunavon	1	80,000			80,000
Shellbrook	3	97,957	80,037		17,920
Unity	4	15,058			15,058
Wakaw	1	30,000			30,000
Waldheim	2	77,130	77,130		
Watson	1	78,300			78,300
Whitewood	3	178,200			178,200
Wilkie	8	1,448,178	8,637		1,439,541
Wynyard	3	1,047,700			1,047,700
Totals	99	$11,729,986	$1,747,967	$288,119	$9,693,900
VILLAGES					
Conquest	1	20,250	20,250		
Frontier	2	298,220			298,220
Kisbey	1	185,000			185,000
Marcelin	1	60,600			60,600
Pierceland	2	49,500	49,500		
Theodore	4	47,557	47,557		
Young	1	114,227			114,227
Totals	12	$775,354	$117,307	Nil	$658,047
TOTAL OF ALL MUNICIPALITIES	190	$24,420,056	$3,998,166	$573,119	$19,848,771

SCHEDULE N

CAPITAL TRUST FUND TRANSACTIONS

APPROVED BY THE LOCAL GOVERNMENT BOARD

IN THE YEAR 1980

	Creation of New Funds and Re-establishment of Existing Funds		Addition to Funds		Withdrawals from Funds	
	Number	Amount of New Funds	Number	Amount	Number	Amount
Cities	-	-	1	70,000	4	281,573
Towns	13	1,268,404	7	294,200	31	825,473
Villages	7	343,900	6	143,000	11	183,800
Rural Municipalities	44	3,994,315	45	1,649,650	81	3,390,193
Totals	64	$5,606,619	59	$2,156,850	127	$4,681,039

SCHEDULE O

PURPOSES FOR WHICH CAPITAL TRUST FUNDS WERE WITHDRAWN

Local Authority	Purpose of Withdrawal	Amount
CITIES	Roads, Street Paving, Sidewalks, Curbs and Gutters	201,573
	Machinery and Equipment:	
	Protective	29,000
	Transportation	51,000
	Total	$281,573
TOWNS	Roads, Street Paving, Sidewalks, Curbs and Gutters	78,000
	Water Mains, Sewer Mains, Hydrants and Services	34,000
	Sewage Lagoon and Facilities	51,000
	Reservoir and Dam	55,000
	Machinery and Equipment:	
	Protective	59,000
	Transportation	140,075
	Other Machinery and Equipment	44,600
	Buildings and Repairs	341,130
	Purchasing Land	22,668
	Total	$825,473
VILLAGES	Roads, Street Paving, Sidewalks, Curbs and Gutters	7,700
	Sewage Lagoon and Facilities	50,000
	Reservoir	6,000
	Buildings and Repairs	83,200
	Machinery and Equipment:	
	Transportation	36,900
	Total	$183,800

SCHEDULE O (Cont'd)

Local Authority	Purpose of Withdrawal	Amount
RURAL MUNICIPALITIES	Roads, Street Paving, Sidewalks, Curbs and Gutters	24,000
	Buildings and Repairs	200,000
	Machinery and Equipment:	
	Protective	48,240
	Transportation	3,027,353
	Other Equipment	90,600
	Total	$3,390,193
	Grand Total	$4,681,039

SCHEDULE P

MUNICIPAL ESTIMATES APPROVED AND TAX RATES AUTHORIZED BY THE LOCAL GOVERNMENT BOARD IN THE YEAR 1980

LOCAL AUTHORITY	ESTIMATED EXPENDITURES	TAX RATE
VILLAGES		
Debden	212,357	60
RURAL MUNICIPALITIES		
Hoodoo No. 401	440,920	72

SCHEDULE Q

INQUIRIES AND HEARINGS

CONDUCTED BY THE LOCAL GOVERNMENT BOARD

IN THE YEAR 1980

Date	Local Authority	Subject of Inquiry or Appeal
April 11, 1980	Town of Ituna	Storm Sewers
April 17, 1980	Town of Kamsack	Storm Sewers
May 8, 1980	City of Prince Albert	Storm Sewers

SCHEDULE R

ORDERS ISSUED BY THE LOCAL GOVERNMENT BOARD UNDER SECTION 10 OF THE PUBLIC HEALTH ACT AND SECTIONS 12 AND 49 OF THE UNION HOSPITAL ACT IN THE YEAR 1980

Public Health Act (Section 10)

Melfort-Tisdale No. 11 Moose Jaw-Assiniboia-Gravelbourg No. 2 North Battleford No. 13 Prince Albert No. 12 Regina Rural No. 5 Rosetown-Biggar-Kindersley No. 7 Saskatoon Rural No. 8 Swift Current No. 1 Weyburn-Estevan No. 3 Yorkton-Melville No. 10	Fixing the amount of cost to be borne by participating municipalities in Health Regions

Union Hospital Act (Section 12)

Balcarres Battlefords Beechy Border Broadview Carrot River Coronach Cut Knife Dodsland Eastend Elrose Fillmore Foam Lake Grenfell Indian Head Kerrobert Kindersley Langenburg	Lanigan Maidstone Meadow Lake Melfort Milden Neilburg Oxbow Prince Albert Shaunavon Shellbrook Theodore Tisdale Unity Wadena Wakaw Watrous Yorkton	Fixing share of estimated cost to be borne by participating areas (establishment) redistribution and redefined areas in Union Hospital Districts

SCHEDULE R (Cont'd)

Union Hospital Act (Section 49)

Canora Cut Knife Foam Lake Gainsborough Langenburg Maidstone	Authorizing levy to create surplus for Capital Reserve Funds in Union Hospital Districts

SCHEDULE S

HOUSING COMPANY AGREEMENTS APPROVED

Under The Housing and Special-care Homes Act

in the Year 1980

BETWEEN	AND
St. Elizabeth's Hospital	Town of Bruno
	Town of Humboldt
	Village of Annaheim
	Village of Lake Lenore
	Village of Middle Lake
	Village of Muenster
	R.M. of Humboldt No. 370
	R.M. of St. Peter No. 369
	R.M. of Three Lakes No. 400
St. Michael's Hospital	Town of Cudworth

SCHEDULE T

WATER RATES AND/OR SEWER SERVICE CHARGE BYLAWS APPROVED BY THE BOARD IN 1980

TOWNS

Arcola
Battleford
Bienfait
Biggar
Big River
Birch Hills
Canora
Carlyle
Carnduff
Carrot River
Churchbridge
Cut Knife
Duck Lake
Eastend
Eatonia
Govan
Gravelbourg
Grenfell
Gull Lake
Herbert
Humboldt
Ituna
Kamsack
Kindersley
Lafleche
Lampman
Langenburg
La Ronge
Leader
Macklin
Maidstone
Meadow Lake
Morse
Naicam
Norquay
Pilot Butte
Preeceville
Raymore
Redvers
Regina Beach
Rockglen
Rosthern
Rouleau
St. Walburg
Shaunavon
Shellbrook
Strasbourg
Unity
Wadena
Waldheim
Watson
Wynyard

VILLAGES

Aberdeen
Alida
Avonlea
Aylsham
Ceylon
Clavet
Conquest
Domremy
Endeavour
Flaxcombe
Frontier
Glaslyn
Goodeve
Goodsoil
Grayson
Hafford
Herschel
Kenaston
Leask
Leross
Limerick
Maymont
Meath Park
Neilburg
Odessa
Osler
Parkside
Paynton
Plenty
Simpson
Springside
Turtleford
Vawn
Viscount
Waseca
White City

SCHEDULE U

REPORT ON MEETING OF THE ADVISORY COMMITTEE TO THE LOCAL GOVERNMENT BOARD

A meeting of the Advisory Committee to the Local Government Board was held in the 12th Floor Board Room, 1920 Broad Street, Regina, Saskatchewan, at 9:30 a.m. on Monday, January 14, 1980.

Present:

Mr. L. H. Lewry, Acting Chairman, Local Government Board

Mr. A. R. Thibodeau, Member, Local Government Board

Mr. M. J. Janzen, Member, Local Government Board

Mr. T. Cholod, Representative, Saskatchewan Urban Municipalities Association

Mr. E. Moen, Representative, Saskatchewan Health-Care Association

Mr. E. J. Elke, Representative, Saskatchewan School Trustees Association

Mr. Lewry, Acting as Chairman of the meeting, welcomed the members of the Advisory Committee, and invited them to participate freely in the discussion.

On a motion by Mr. E. Moen, the proposed agenda as developed by the Board, a copy of which had been mailed to each committee member, was adopted as the agenda to govern the meeting.

A G E N D A

1. Introduction;

2. Agenda - Review;
   - Additions and/or Revisions;

3. Special problems by various local governments:

   (a) urban;
   (b) rural;
   (c) schools;
   (d) hospitals;

4. Markets for the sale of debentures;

5. Debt limits;

6. Capital Trust Funds;

7. Cash down-payments;

8.(a) Other matters of interest to the Committee;
  (b) Role of Local Government Board to Local Governments in Saskatchewan;

9. Adjournment.

3. Special Problems by Various Local Governments.

(a) Urban

The urban representative requested information regarding the functions of the Local Government Board. Mr. Lewry gave a brief rundown on the history of the Board and its present responsibilities. Mr. Cholod mentioned that the Urban Law Review Committee was in the process of reviewing municipal borrowing procedures.

(b) Rural

The rural representative was unable to be present at the meeting.

(c) Schools

Mr. Elke, the schools representative, noted that there appeared to be minimal criticism from School Divisions regarding the

Local Government Board. There did not seem to be much of a problem as long as school authorities stay within reasonable borrowing limits. He believed that school building activities were now on a reduced scale, although there were some problems in building maintenance, particularly relating to flat roofs.

Mr. Janzen reminded the committee that since The Education Act came into effect, there are no longer any statutory borrowing limits for school authorities. This lack of statutory limits now leads some jurisdictions to think that they are able to borrow to any amount. When dealing with borrowing applications, the Local Government Board has to consider the possibility that the present grant structure supporting the repayment of school borrowings may not always continue at the present level.

Mr. Janzen further mentioned that The Education Act provides for a borrowing bylaw to be passed by a board of education "within thirty days of the day of the notification that the loan has been authorized by The Local Government Board". However, the Act also provides for a borrowing bylaw to be submitted to a vote of the electors:

> (a) if it is so ordered by The Local Government Board;
> (b) if a petition for a vote, signed by at least twenty per cent of the electors in the division, is presented to the board of education within thirty days after publication of the notice of intention, (this provision does not apply to School Divisions which were formerly larger school units organized under The Larger School Units Act); or
> (c) if the board of education considers it advisable to submit the question to a vote of the electors and by its own resolution so orders.

The Act also provides that if a bylaw has been submitted to a vote of the electors, and has been duly approved by them, it shall be given third reading and passed within thirty days after the voting takes place, "but no such bylaw shall be passed:

> (a) until after the expiration of fourteen days after the result of the voting has been declared; or
> (b) if within that fourteen-day period a recount has been applied for, until the judge has transmitted to the secretary of the division a written statement of the result of the recount;"

In order to ensure the correct passing procedures are followed in the case of borrowing bylaws for School Divisions that were formerly School Districts, the Local Government Board will include a specially worded condition in borrowing permissions for such Divisions.

Mr. Lewry mentioned that one of the Board's conditions relating to formal permission to borrow is that satisfactory arrangements for the sale of the debentures must be made before a project commitment is made, or before a contract is let. Mr. Janzen explained the Board's requirements in this regard.

Mr. Thibodeau mentioned that in the case of schools, the statutes require that a public hearing be held regarding borrowing, even in the case where there is a second borrowing application relating to a project for which borrowing had previously been approved.

Mr. Janzen pointed out that whenever a copy of the Department of Education Form E-2 ("Approval to proceed with preliminary planning of building") is received at the Local Government Board office, a letter is sent to the School Division in question, outlining the procedures to be followed when applying to the Board for borrowing authorization.

(d) Hospitals

Mr. Moen, the hospitals representative, mentioned that at the 1979 meeting of the committee, concern regarding municipal mill rates was expressed by the other representatives. Mr. T. Steiert had obtained information regarding province-wide mill rates, and it had been hoped to obtain such information on a year to year basis.

Mr. Elke (who is also Reeve of the R.M. of Prairie Rose No. 309) thought that there will be a substantial increase in mill rates for Rural Municipalities in the coming years. He thought that it should be possible for R.M. Secretary-Treasurers to include in their duties the collection of taxes such as school taxes, as in many cases their work loads were not heavy.

Mr. Janzen pointed out that the assessment base for hospitals was more or less static, and requested any comments on high mill rates for debenture retirement. Mr. Thibodeau quoted two examples where increased construction costs resulted in higher debenture repayment costs.

Mr. Lewry mentioned that The Union Hospital Act allows borrowing beyond the current year to be secured only by a debenture issue, whereas other local authorities are allowed to borrow on other forms of security, such as a promissory note, etc.

Mr. Thibodeau mentioned that the Local Government Board does not usually require a vote in the case of borrowing on a four-year repayment term basis, but usually does so in the case of longer repayment terms. Therefore, if construction costs increase and borrowing is required in an amount too large to be repaid in four

years, a vote would be required. Mr. Janzen pointed out that people are usually willing to pay increased taxes to repay borrowing, if they know about it beforehand.

Mr. Thibodeau also mentioned that in some cases, the Local Government Board had required a hospital board to obtain written agreements from the municipalities comprising the hospital district, regarding the increased annual payments required to cover the proposed debenture borrowing.

4. Markets for the Sale of Debentures.

Mr. Lewry reviewed the involvement of The Municipal Financing Corporation in the sale of debentures issued by Saskatchewan local authorities. The Corporation will purchase up to one half of the debentures issued by a municipality in any one calendar year (up to 40% of such debentures issued by the Cities of Regina or Saskatoon). The interest rate required by the Corporation for these purchases depends upon market conditions at the time of approval of the purchase.

Mr. Janzen pointed out that the dollar value of debenture issues is increasing, resulting in greater difficulty in selling debentures locally. Mr. Thibodeau suggested that sometimes local authorities did not exert enough effort in this direction, going directly to their bank in some cases, without comparing offers from other financial institutions or other sources. Sometimes this is due to loyalty to a bank which has had their account for some time. (Mr. Elke mentioned that two school units had put their banking business out to tender - and had received good results). Mr. Janzen mentioned that the selling of debentures locally to individuals involved a great deal of work, and it was much easier to go directly to a bank for this purpose.

5. Debt Limits.

Mr. Lewry stated that several municipalities were approaching their statutory debt limit, and that the Board was apprehensive about this situation. Mr. Janzen added that sometimes urban debt load can be high and that at the same time school and hospital debt can be high in that community. Mr. Thibodeau mentioned that The Urban Law Review Committee is thinking of removing statutory debt limits.

Mr. Janzen pointed out that the present statutory debt limit for a Rural Municipality is 5% of the taxable assessment. This limitation restricts the actions of the Local Government Board, especially in small R.Ms. Mr. Elke suggested that an R.M. should not be in a position of requiring to borrow to the limit, if adequate

reserves or capital trust funds are maintained. (In this regard, Mr. Janzen stated that some Urban Municipalities made extensive use of Capital Trust Funds.)

7. Cash Down-Payments.

Mr. Lewry explained that present Board policy requires that a municipality wishing to borrow with repayment beyond the current year must provide a cash contribution from the budget of that year, to reduce the amount being borrowed. This cash contribution must be at least equal to the annual principal and interest required to repay the loan.

Mr. Cholod mentioned that the matter of cash down-payments had been discussed, but no criticisms of the policy had been made.

Mr. Janzen pointed out that the down-payment can become a problem later in the financial year, after the time that the budget had been prepared and approved. The Board usually found that such a situation could be resolved.

Mr. Thibodeau gave an outline of the Board's requirements in the case of lease agreements extending beyond the current year. Mr. Lewry mentioned that in such cases, the Board requires to see any contract proposed to be entered into by a municipality.

8. (a) Other Matters of Interest - none indicated.
   (b) Role of Local Government Board - no comments made.

The Chairman thanked those in attendance for their contributions and comments.

The meeting adjourned at 11:15 a.m.

"J. F. Chaney"

J. F. Chaney,
Secretary